REMARKS

Claims 1 – 10 were pending in the application prior to this amendment and stand rejected. Claims 1 – 10 have been amended. New claims 11 – 20 have been added. Claims 1 – 20 are presented for reconsideration.

The Examiner objected to claims 1 and 6 – 8 because of certain informalities. These claims have been amended as suggested by the Examiner.

The Examiner rejected claims 1 – 10 under 35 USC § 102(e) as being anticipated by *Feidelson, et al.* (U.S. Pat. No. 6,345, 261). This rejection is respectfully traversed. Anticipation under 35 USC § 102 requires the presence in a single prior art reference of each and every element in the claim, arranged as in the claim.

Feidelson, et al. teaches a customer loyalty and investment program that provides an investment fund in which members are registered, rebates are received from merchants based on purchases made by the members from the merchants, and the rebates are invested in the fund. The composition of the fund reflects, at least in part, the rebates received from the merchants (col. 2, ll. 7 – 13). Shares in the investment fund are issued to each member based on the rebates received from merchants as a result of purchases made by the that member. For rebates received from public merchants, securities of each public merchant are purchased based on the amount of rebates received from that particular merchant. For rebates received from private merchants, securities are purchased in the public merchants as a function of the fund's then existing portfolio (col. 2, ll. 31 – 39). *Feidelson, et al.* further teaches that the investment fund reflects the collective purchases that have been made by the members of the program because every dollar received from each of the

participating merchants through rebates (less administration fees) is directed toward the purchase of that particular merchant's securities, resulting in an investment fund with diversified holdings (col. 4, ll. 39 – 50). *Feidelson, et al.* further teaches that customers receive a diversified investment merely by purchasing products or services from one or more of the participating merchants (col. 4, ll. 54 – 58).

Feidelson, et al. further teaches that a stored fund database includes information relating to the investment fund, including a specific merchant's security holdings in the fund, the number of shares in the fund owned by each member, and information regarding the fund's past and present performance (col. 6, ll. 3 – 8). Rebate money received by the merchants is placed into an escrow account. A database server and an FTP server periodically direct a transfer agent to issue shares in the investment fund to members as a function of the rebates earned by the members. The database server and FTP server also periodically direct the broker to purchase merchant securities as a function of the rebate monies received from the merchants and invested in the fund.

Claim 1 has been amended to clarify that the step of aggregating the equity interest awarded to the plurality of customers include awards for individual customer accounts. Claim 1 is not anticipated for at least the reason that *Feidelson, et al.* does not teach acquiring stock in at least one of the plurality of sellers representing the aggregate equity interests, and distributing the stock, including fractional shares, of the sellers into individual customer accounts. As described above, *Feidelson, et al.* teaches issuing shares in an investment fund to member customers, not

shares of stock of the merchant sellers awarded as a result of customer purchases of goods and services from the merchant sellers.

Claims 2 – 8, depend, either directly or indirectly, from claim 1 and are not anticipated for at least the same reasons that claim 1 is not anticipated by *Feidelson, et al.* Claims 5 – 8 have been amended to clarify that the step of awarding equity interests comprises determining values associated with the purchasing and investing transactions of each customer using his award account, and awarding an equity interest to each customer in an amount based on the value associated with the transactions. *Feidelson, et al.* does not teach awarding equity interests to customers based on values associated with both purchasing and investing transactions of each customer using his award account. Therefore, claims 5 – 8 are not anticipated by *Feidelson, et al.* for at least this additional reason.

Claim 9 is a system claim having elements that parallel the steps of claim 1. Claim 9 has been amended to clarify that the system comprises means for acquiring stock in a plurality of sellers representing the aggregated equity interests for individual customer accounts. Claim 9 has also been amended to clarify that the system includes means for distributing the stock, including fractional shares, of the sellers into individual customer accounts. Claim 9 is not anticipated for at least the reason that *Feidelson, et al.* does not teach acquiring stock in the plurality of sellers representing the aggregate equity interests awarded to the plurality of customers, and distributing the stock, including fractional shares, into individual customer accounts. As described above, *Feidelson, et al.* teaches issuing shares in an investment fund to member customers, not shares of

actual public stock of the merchant sellers. Claim 10 depends from claim 9 and is not anticipated by *Feidelson, et al.* for at least the same reasons that claim 9 is not anticipated.

New claims 11 – 20 have been added to claim features that are described in the specification but not previously claimed. Claims 11 – 13 recite assigning a customer to a tier level based on the customer's level of shopping and investing with a seller (claim 11), providing incentives to a customer at a specific tier level (claim 12), the incentives including at least one of an advance purchase option, a discount, a coupon, a bonus, and additional seller stock (claim 13). Claims 14 – 16 recite allowing a customer to pay for a transaction by selling a portion of the stock including fractional shares that were distributed to the customer's award account (claim 14), selling the portion of stock based on the current bid price per share of the stock on an open market (claim 15), and adding a difference between a bid and an ask price of the stock being sold to the customer incentive program for subsequent awards (claim 16). Claim 17 claims the feature of issuing a credit card to the customer having a variable rate based on the value of the customer's stock holdings in the award account. Claim 18 claims the feature of distributing the stock to another entity specified by the customer instead of being distributed to the customer's account. Claim 19 recites that the another entity can be a family member, a friend, a charitable institution, and an educational institution. Claim 20 claims the feature of awarding equity interest to a customer based on referrals of potential customers to the customer incentive program. None of the features claimed in new claims 11 – 20 are taught or suggested by *Feidelson, et al.*, therefore, claims 11 – 20 are allowable over *Feidelson, et al.*

In view of the above remarks, it submitted that the objections and rejections of the Examiner have been properly addressed and the pending claims are in condition for allowance. Such action at an early date is earnestly solicited. It is also requested that the Examiner contact Applicants' attorney at the telephone number listed below should this response not be deemed to place this application in condition for allowance.

Respectfully submitted,

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